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MARKETING REPORT

Philip Morris expands in price-value niche

Alpine targets menthol smokers

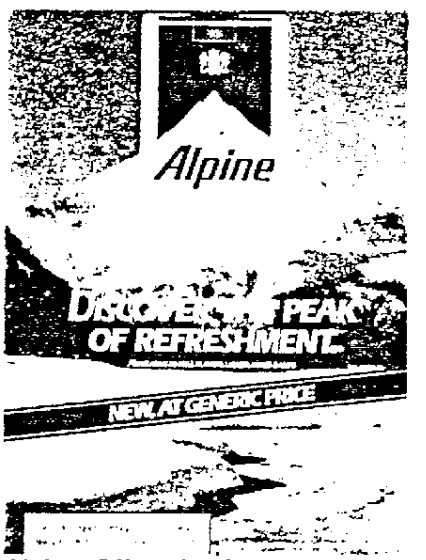
NEW YORK: Philip Morris has expanded its stake in the price value segment with the introduction of what it says is the first free-standing generic-priced menthol cigarette.

Called Alpine, the brand actually isn't new but is a repositioning of a 30-year-old trademark from a product originally introduced at a full-margin price in 1959.

"Alpine is the only free-standing, menthol cigarette which offers a price alternative to the consumer," Alpine Brand Manager Arthur Goldfarb said. "It fills a niche in the market, offering full-margin menthol smokers a price alternative."

The Alpine introduction marks another effort by Philip Morris to gain share in the growing price value category, which garnered 11 percent share of the cigarette market last year, according to industry analyst John C. Maxwell Jr. of Wheat First Securities, Richmond, VA.

Branded generics have grown even faster than the total category and now make up 54.5 percent of the value-priced segment, up from about 40 percent in 1987. Though RJR's Doral still tops the low-price segment, Philip Morris' Cambridge branded generic had the greatest momentum, growing more than half a share point to a 1.7 percent share.



Alpine: Off-peak price.

To promote its new Alpine generic brand to the smoking public, Philip Morris developed an ad campaign that asks consumers to "Discover the Peak of Refreshment." Complementing the Alpine name, the ads feature snow-capped mountain graphics.

Teaser ads in January encouraged trial of the brand by providing a toll-free number for a free pack of Alpine. The ads ran in a variety of consumer publications including *TV Guide, Soap Opera Digest, People, Sports Illustrated, Time, U.S. News and World Report* and *Newsweek*.

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